

IC 4-4-14

Chapter 14. Investment Incentive Program

IC 4-4-14-1

Definitions

Sec. 1. As used in this chapter:

"Department" refers to the department of commerce.

"Municipality" means a city or town.

As added by Acts 1982, P.L.19, SEC.1.

IC 4-4-14-2

Establishment by department; purpose

Sec. 2. The department shall establish policies to carry out an investment incentive program, the purpose of which is to provide grants and loans to counties and municipalities that will, in turn, be lent to certain new or expanding businesses for construction or for the purchase of real or personal property.

As added by Acts 1982, P.L.19, SEC.1. Amended by P.L.25-1983, SEC.1; P.L.21-1985, SEC.1.

IC 4-4-14-3

Grants to counties and municipalities; criteria

Sec. 3. (a) The department shall adopt rules under IC 4-22-2 to establish the criteria for awarding grants and loans to counties and municipalities.

(b) The criteria for awarding the grants and loans must include:

- (1) the economic need of the county or municipality;
- (2) the impact of the new or expanding business on employment and output in the county or municipality;
- (3) the importance of state participation to the investment decision;
- (4) the impact of state assistance to job production in the county or municipality; and
- (5) the extent of other public and private participation.

As added by Acts 1982, P.L.19, SEC.1. Amended by P.L.25-1983, SEC.2; P.L.21-1985, SEC.2.

IC 4-4-14-4

Loans to businesses by counties and municipalities; guidelines; approval of loans

Sec. 4. (a) The department shall establish criteria to guide counties and municipalities in making loans to businesses.

(b) The terms of the loans must include provisions that:

- (1) loans shall be restricted to enterprises that create new and permanent jobs;
- (2) loans may not exceed ten percent (10%) of the total investment or two hundred fifty thousand dollars (\$250,000), whichever is greater; and
- (3) the principal and interest on the loan must be repaid to the county or municipality.

(c) All loans by a county or municipality under this chapter are subject to approval by the department.

As added by Acts 1982, P.L.19, SEC.1. Amended by P.L.25-1983, SEC.3; P.L.21-1985, SEC.3.

IC 4-4-14-5

Powers of department

Sec. 5. The department may:

- (1) adopt rules, under IC 4-22-2, necessary to carry out this chapter;
- (2) accept money and other things of value from all sources;
- (3) provide services and materials to carry out the purposes of the program;
- (4) evaluate the program; and
- (5) involve other entities, by contract or otherwise, in carrying out the purposes of the program.

As added by Acts 1982, P.L.19, SEC.1.

IC 4-4-14-6

Use of repayment proceeds; grants from state appropriated funds

Sec. 6. (a) The repayment proceeds of a loan made from a grant under this chapter shall be used by the county or municipality for any economic or community development activity, including:

- (1) the making of loans to businesses; and
- (2) the construction or reconstruction of any street, sewer, or other capital improvement that will promote economic development in the community or the repayment of bonds used to finance the construction or reconstruction;

however, all uses of repaid loan proceeds by a county or municipality under this chapter are subject to approval by the department.

(b) The department may not make a grant from state appropriated funds to a county or municipality under this chapter unless the county or municipality agrees to lend to the new or expanding business an amount greater than or equal to the state grant.

As added by P.L.21-1985, SEC.4.

IC 4-4-14-7

Loan not general obligation of county or municipality; determinations of reasonable assurance

Sec. 7. (a) A loan to a county or municipality made under this chapter is not a general obligation of the county or municipality and is payable solely from revenues derived from the new or expanding business.

(b) Before making a loan to a county or municipality, the department shall determine that there is reasonable assurance that the loan will be repaid. In making this determination, the department shall consider:

- (1) the financial condition of the business;
- (2) the financial feasibility of the expansion being undertaken by the business;

- (3) the adequacy of collateral for the loan; and
- (4) any other information that the department considers relevant to its determination.

As added by P.L.21-1985, SEC.5.

IC 4-4-14-8

Establishment and purpose of investment incentive fund; administration; disposition of repaid principal and interest earned

Sec. 8. (a) The investment incentive fund is established for the purpose of providing grants and loans to counties and municipalities. The fund shall be administered by the department of commerce.

(b) Money in the fund at the end of a particular fiscal year does not revert to the state general fund.

(c) The repaid principal and the interest earned on loans made to counties and municipalities under this chapter shall be deposited in the fund.

As added by P.L.21-1985, SEC.6.